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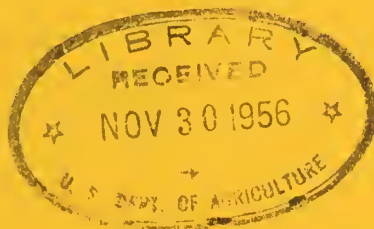
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H A N D B O O K F O R E X T E N S I O N
M A R K E T I N G P R O J E C T S
C O N D U C T E D W I T H A G R I C U L T U R A L M A R K E T I N G A C T F U N D S



Federal Extension Service
UNITED STATES DEPARTMENT OF AGRICULTURE
May 1956

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HANDBOOK FOR EXTENSION MARKETING PROJECTS

Conducted With Agricultural Marketing Act Funds

The State Extension Services, in cooperation with the Federal Extension Service, are responsible for the development of educational and demonstrational projects which are conducted under the Agricultural Marketing Act of 1946 (Title II, Research and Marketing Act).

Projects developed under this Act should involve disseminating and encouraging application of information incident to assembling, processing, storing, transporting, selling, and buying operations after the product is harvested or ready for market until used by the ultimate consumer.

The Agricultural Marketing Act of 1946 provides for the development of new and additional lines of work relating directly to marketing of agricultural commodities. Funds are allotted to the States on the basis of approved projects setting forth the problem to be worked on, objectives to be accomplished, and a definite plan of operation.

As with the Smith-Lever law, the Administrator of the Federal Extension Service has the responsibility for the approval of projects for which funds can be expended. The Extension Marketing Sub-Committee of the Extension Committee on Organization and Policy serves in an advisory capacity to the Administrator of the Federal Extension Service on policies regarding educational work conducted under AMA. The Division of Agricultural Economics Programs, FES, has the responsibility for assisting States in developing AMA projects and appraising results of marketing programs.

Relation to Other Extension Work

The Cooperative Extension Service has the responsibility for coordinating educational work conducted under this Act with other extension marketing work. Work conducted under AMA must be differentiated from marketing work conducted under other authorizations.

Projects financed under AMA allotments should be identified as self-contained units as are Smith-Lever projects. Generally, AMA projects should involve work on marketing problems beyond the farm but close liaison should be maintained with other marketing and production programs.

Responsibility for Coordination and Cooperation With Other Agencies

Recommendations for securing agency coordination are set forth in "Recommended Relationships Among State Agencies Conducting Marketing Programs Under Matching Provisions of Section 204 (b) of Title II, Research and Marketing Act of 1946." This statement, a copy of which is attached, was prepared in October 1954 at a joint meeting of the advisory committees representing State extension services, State

experiment stations, and State departments of agriculture and bureaus of markets. It should serve all administrators of AMA projects as a guide in their relationships with other agencies.

Some Points to Consider in Preparation of Extension AMA Projects

The attached project outline indicates the procedural requirements for project statements. Several fundamental principles which should be observed are:

1. Projects are developed as stipulated under Section 203 of the Act.
2. All projects must be educational and demonstrational in nature and come within the legal authority for cooperative extension work.
3. Projects should involve significant marketing educational work that is new or additional to that being done when the Act was passed in August 1946.
4. The objectives should be specific and capable of accomplishment.
5. The project statements should be written in terms of specific problem areas and specific groups of people. Where practicable, only one marketing project should be developed for each area of work, such as livestock marketing, fruit and vegetable marketing, and so forth; such a project may involve the work of marketing specialists and also marketing agents who work on a market area basis within the State. Projects should cover problems on which work will be conducted for several years. Changes in emphasis from year to year should be incorporated in annual plans of work.
6. Projects may provide for educational work with retailers and other handlers, processors, consumers, and producers, commensurate with the problems and objectives involved. Major emphasis in projects under this Act should be given to marketing work beyond the farm.
7. In addition to Statewide projects, consideration should be given to needs for educational programs on a market area basis within the State. This may involve development of projects on which marketing agents would be employed to work in several counties, terminal markets, and so forth, either on a commodity or functional basis or in several areas of marketing work.

Developing New Or Revised State Projects

New Projects - Extension AMA projects should be prepared in accordance with the attached project outline, which is similar to that used for

Smith-Lever projects. Project numbers will be assigned by the Federal Extension Service as required under the USDA Uniform Project System.

Six copies of the project should be sent to the Administrator, Federal Extension Service. Upon approval, a signed copy of the project will be returned to the State director of extension.

An estimate of the funds required for operation of the project during the first fiscal year should accompany the project outline on completed ES-9 budget forms (four copies). These estimates serve as a basis for determining the total needs for all States and Territories and for allocation of available funds.

Revisions - While AMA projects generally should be operated on a continuing basis like Smith-Lever projects, they should be reviewed every 3 to 5 years to keep them up to date. The same procedure should be followed in revising projects as is followed in submitting new projects.

Estimates of Additional AMA Funds Needed Two Years Ahead

In order to meet USDA budgetary requirements, it is necessary that each State submit an estimate of additional funds needed for current and new projects on or before May 1 of each year for the two succeeding fiscal years. Forms for this purpose will be forwarded to State directors of extension about March 1, indicating the type of information needed.

Developing Regional and Market Area Projects

One of the characteristics of the marketing and distribution process is that it does not stop at State lines or other fixed boundaries. Some marketing problems are local, but many involve trade areas of regional and national importance. In the development of marketing educational work under the AMA, proper attention needs to be given to work that can deal effectively with problems that cut across State lines.

The Federal Extension Service will cooperate with States in developing and carrying out regional and market area educational programs involving more than one State. This may include the development, cooperatively with the State extension services involved, of an integrated program among producers, processors, handlers and consumers. In the development of individual State projects, consideration should be given to cooperation with present or proposed regional marketing area projects. States interested in developing regional programs should contact the Federal Extension Service.

Cooperative Agreements

The Agricultural Marketing Act provides that allotments to State agencies for cooperative projects shall be covered by a cooperative agreement specifically relating to work under this Act. All Extension projects undertaken under AMA shall become a part of the agreement and are subject to the terms thereof. The agreement will remain in force until abrogated by either the Federal or State extension service, or both.

Four signed copies should be submitted to the Federal Extension Service at the time AMA work is started in a State.

Sources of State Offset Funds

The source of funds used as offset is not significant if they are budgeted, received and expended under the control of the State extension director in direct furtherance of the AMA projects.

To qualify for offset, State funds must be comprised of money over and above the amount available to a State for educational marketing work during the fiscal period in which the AMA became law, namely, the fiscal year ending June 30, 1947. It is the opinion of the Office of the General Counsel that "the word 'available' as used in the Act need not be construed in the strict legal sense that any moneys which might legally be expended for a certain purpose are available for that purpose." "For example, where funds might have been available to a State for expenditure for several purposes, including marketing work but have, in fact, been used for some purpose other than marketing work, it would appear that these funds could be used for matching purposes." In other words, for AMA purposes, it appears that the reasonable test is whether the funds were actually budgeted, or programmed, and were in reality available for marketing work rather than whether they technically were available for such budgeting and expenditure at the time the Act was passed.

Matching of Funds

Before Agricultural Marketing Act funds can be allocated to a State, the State must certify on Form ES-43, Certification of Offset, that funds from within the State are available to match the Federal allocation. The State funds must be available for and expended in direct furtherance of the approved AMA projects. Any expenditures of State funds made in carrying out the provisions of an AMA project in any one fiscal year that are in excess of the matching requirement may not be used to match Federal AMA allocations in a subsequent fiscal year.

To assist in the accounting operations in those States having an allotment covering more than one AMA project, exact matching by project will not be required providing that the total State matching expenditures equal the total Federal AMA expenditures. For example: if a State has an allotment totaling \$24,000 for four AMA projects in the amount of:

| | |
|-----------|--------------|
| Project A | 5,000 |
| Project B | 6,000 |
| Project C | 6,000 |
| Project D | <u>7,000</u> |
| Total | \$24,000 |

the offset may be expended in reasonable conformity to the Federal expenditures as follows:

| | |
|-----------|--------------|
| Project A | \$ 5,500 |
| Project B | 6,200 |
| Project C | 5,800 |
| Project D | <u>6,500</u> |

Total \$24,000

The above procedure provides a certain amount of flexibility in matching the allotment that otherwise would not be possible if each project had to be matched exactly. Such matching adjustments are indicated at the time revised budgets are submitted.

Carryover of Funds

Federal AMA allotments are made to a State on the basis of annually approved budgets for each project. If at the end of the year there remains a balance, such funds remain available for expenditure in the following year. However, the funds so remaining are used in support of approved work for the subsequent year and an amount is allocated which in addition to the carry-over equals the total approved budget for the succeeding year.

Annual Approval of Budgets

Funds are allocated annually based on budgets submitted by the State. This involves submission by June 10, 1956 (June 1 in subsequent years) of a budget showing distribution of funds needed on Forms ES-9c and 9d, together with a statement of estimated balance of allotment by projects from the prior fiscal year using form FES-86. Form ES-AMA-2 will no longer be required. The budget as submitted on the Forms ES-9c and 9d should show the total amount required for operating the projects. This amount consists of the carry-over at the end of the fiscal year, plus the additional funds needed to carry out the projects for the new fiscal year.

Budgetary adjustments within a fiscal year may be accomplished by submitting a revised budget on Forms ES-9 as is customary for other extension work or as often as necessary. Budgetary forms requesting approval of transfers of Federal funds between projects should be submitted to the Federal Extension Service prior to effective date of transfer.

Equipment

AMA funds should be used to purchase only the equipment necessary to carry out the provisions of the approved project.

If the item of equipment is to be shared by others not working on the AMA project, the cost should be shared in proportion to use.

Employment of Personnel

The procedure for submitting personnel actions for persons assigned to AMA projects is generally the same as the procedure for submitting

personnel actions for other cooperative extension employees. Notification of Personnel Action, Form ES-34, should be submitted for each staff member assigned to work on an approved AMA project. The word "marketing" should be included in the title of the employee.

If the employee is to receive any AMA funds the words "AMA" should be typed on the personnel action in the space Item 10 which states "Federal (Identify)." If the person's salary is to be used in whole or part as offset to the AMA funds then it should be indicated by the words "offset to AMA" on the line showing source of funds from within the State and the amount to be used as offset.

Plans of Work and Annual Reports

Plans of work and annual reports on AMA projects should be submitted at the same time as similar reports are forwarded for Smith-Lever projects. Both plans of work and annual reports should be submitted on a project basis involving work of all personnel paid from both AMA and offset funds regardless of whether such personnel is employed as specialists or marketing agents.

All plans of work and annual reports on AMA projects should be identified as such and not included as part of plans of work and reports on projects financed by other authorizations. For reporting purposes each project is considered as an operating unit and, therefore, the work financed with offset as well as AMA funds should be reported in both the plan of work and annual report for that project.

Examination of Accounts

Representatives of the Federal Extension Service will make the required examination of accounts and records of the State Extension Services showing the receipt and disbursement of AMA funds allotted for approved projects and corresponding State offset funds.

The same types of accounts and records are required for AMA funds as are required for other Extension projects. The accounts should be set up on a project basis so as to disclose the use of the AMA funds and corresponding State offset funds in accordance with the terms of the cooperative agreement, the approved projects, the certificate of State offset funds, and the approved budget. In those States having an allotment covering more than one AMA project, separate accounts for each project, Federal and offset, must be maintained.

Financial Report

AMA projects are included in the annual financial report. Each project is reported separately. It is not acceptable for accounting convenience to combine the offset to more than one project in one account. Financial reports must show the offset on a project basis.

OUTLINE FOR
AGRICULTURAL MARKETING ACT PROJECTS

STATE _____

- I. NAME OF PROJECT: _____
- II. PROJECT NUMBER: (Leave blank) _____
- III. HEADQUARTERS: (Indicate where: on a Statewide basis, which specific areas within a State, or both) _____
- IV. DATE EFFECTIVE: _____
- V. LEGAL AUTHORITY: Agricultural Marketing Act (RMA Title II) Public Law 733, 79th Congress
- VI. SITUATION AND
NEED OF PROJECT: Make a brief factual situation statement that will justify the project. Describe background and present situation with respect to the problem involved and the need for new or additional work. Cite specific instances, such as lack of adequate marketing facilities, limited outlets, inefficient marketing methods and practices, lack of information, etc., that will clearly illustrate the importance of problems on which work will be conducted and how solution will improve the marketing of agricultural commodities. Show how the proposed work differs from related work being carried on under other authorizations.
- VII. OBJECTIVES OF
THIS PROJECT: The objectives should be stated in such a way as to make this project effective over a period of at least 3 to 5 years and in terms that can be evaluated.
- VIII. ORGANIZATION AND
COOPERATION: State how the project will be organized and indicate subject matter to be covered and cooperation with other persons and groups as follows. (The language in quotations may be used as is or revised.)
- a. "The Director of Extension is responsible for organizing, staffing, financing, reporting results, and otherwise administering this project."
 - b. Indicate in detail how project will be organized, staffed (areas of specialization of each individual to be assigned to the project) and directed.
- The Marketing Specialist, as project leader, should be responsible for integrating subject matter content of each project where different areas of subject matter are involved.

- c. "The work done under this project is related to the work conducted under the following extension projects: (List)".
- d. Indicate the nature of any cooperation with the State Experiment Station, State department of agriculture, etc.
- e. "Liaison work under the general direction of the State Extension Director will be maintained by the extension personnel employed under this project with (name organizations, groups, etc.) in the promotion of an educational program."

IX. METHODS OF
PROCEDURE:

(Language in quotations may be used as is or revised).

- a. "The amounts and the source of funds for carrying on this project and names and percentage of time of personnel working on it will be listed in the annual State extension budget, as submitted by the State Extension Director to the Administrator of Federal Extension Service, USDA."
- b. "A detailed plan for conducting this project will be drawn up annually on a calendar-year basis using the outline for marketing plans of work by the personnel involved and submitted to the State Extension Director for suggestions and approval. This plan shall contain a supplemental statement indicating adjustment to the budget year."
- c. "On or before January 1 of each year the plan will be submitted by the State Extension Director to the Administrator of Federal Extension Service, USDA, for review and approval."
- d. "The annual plan of work, together with the annual extension budget, becomes a part of this project when approved by the State Extension Director and the Administrator of Federal Extension Service, USDA."

- e. "On or before January 1 of each year, a combined annual report incorporating the work of all personnel assigned to this project shall be prepared and submitted through the State Extension Director to the Administrator of Federal Extension Service, USDA. Special reports of work done shall also be prepared as required by the State College of Agriculture and the USDA."
- f. "Equipment acquired, as well as the products resulting from the cooperative effort, or proceeds from the disposition of such equipment, or products, will remain the property of the State Extension Service for use in furtherance of approved Extension projects."
- g. Other steps in methods of procedure such as may be applicable should be outlined.

X. SOURCES OF
MAINTENANCE:

"The obligations of the cooperating parties in this project shall be contingent upon State and Federal appropriations or such other funds as may be allotted in the approved budget for each year."

DATES APPROVED

SIGNATURES

State Director of Extension

College of Agriculture

Administrator, Federal Extension Service, USDA

RECOMMENDED RELATIONSHIPS AMONG STATE AGENCIES
CONDUCTING MARKETING PROGRAMS
UNDER MATCHING PROVISIONS OF SECTION 204 (b) OF TITLE II
RESEARCH AND MARKETING ACT OF 1946

Title II of the Research and Marketing Act of 1946 authorizes funds for carrying on research, educational and service work in marketing. Under the matching provisions of Sec. 204 (b) programs are conducted by the cooperative State Extension Services; State Experiment Stations; State Departments of Agriculture and Bureaus of Markets. The Act provides that each agency should carry on those types of work, whether research, education, or service, that they normally carry on and which experience best qualifies them to do. It also specifies that appropriate provisions be made for preventing duplication. Since there are no clear and sharp lines of demarcation between research, education, and service work, it follows that there will arise questions of relationships between the various agencies, and possibly questions as to where a participating agency should concentrate its efforts and how far it should go in a given direction.

Successful cooperation among agencies depends upon the recognition by each of the problems to be solved, and planning together for the solution. Understanding between agencies can be facilitated through conferences and discussions that indicate and evaluate the pertinent resources of each.

Agency Responsibility

Under the Research and Marketing Act of 1946 (Title II, Section 202, Public Law 733) the State Departments of Agriculture* have authority and responsibility for developing a program including information and service work. Such services relate to assembling, grading, packing, packaging, preparing, processing, handling, storing, transportation, selling, pricing, merchandising and distribution. Cooperation with the United States Department of Agriculture will be in accordance with established practices and procedures.

The Extension Service has the authority and responsibility of developing and carrying on an educational and demonstrational program with growers, handlers, and consumers. Such programs include educational and demonstrational work in connection with assembling, grading, packing, packaging, processing, handling, storing, transportation, selling, pricing, merchandising, distribution and consumer education. In marketing, the job of the Extension Service is to organize and conduct educational and demonstrational work. Extension programs provide

* The term State Departments of Agriculture includes whatever State agency is designated by law to perform marketing service and regulatory work.

information which helps individuals and groups to reason through marketing problems and make more intelligent decisions regarding action to be taken. They also help people learn by doing and encourage them to put into practice improvements in marketing that are economically sound.

The Experiment Stations are charged with the responsibility of carrying on research in connection with agricultural and related problems. Such programs include research work in connection with assembling, grading, packing, packaging, preparing, processing, handling, storing, transportation, selling, pricing, merchandising, distribution and consumer behavior. It is the job of the Experiment Stations to discover facts and establish principles that can be used by the Extension Services and the State Departments of Agriculture in helping to improve the health, increase the wealth, and make it possible for our people to have a richer and more satisfying life. Service, educational, and research work should be defined in terms of type of work to be performed rather than in terms of groups of people to be contacted or assisted.

An Integrated Program

The State Department, Extension Service and Experiment Station in each State are interdependent and must work closely together if the marketing program of each is to be successful. A continuing stream of facts concerning old and new problems is needed as a basis for educational and service programs. Conversely, until the results of research are made available in a readily understandable form and until they are incorporated into available services and into beneficial regulations, they are of little value. The situations encountered by those engaged in educational and service work need to be referred to research workers so that their efforts can be directed toward the solution of the most pressing problems.

The solution of a marketing problem should develop logically from basic research, to applied or pilot plant research, to problem surveys, to regular collection of current data, to demonstrations, to educational programs and to service work including inspection, standardization, and regulation. While basic and applied research are generally conceived as the field of the Experiment Station; while the regular collection of data, service work, inspection, standardization, and regulation are generally conceived as the field of the State Department of Agriculture; and while demonstrations and educational work are generally conceived as the field of the Extension Service; these areas merge at several points. Co-operative planning and regular exchange of information regarding work in the "middle zones" is essential to an integrated program. In the "middle zones" the work might be carried out jointly by personnel from two or all three of the agencies, or by one of the agencies with concurrence of the others.

There is need of establishing and maintaining good working relationships with producers, members of the trade, and consumers. In the case of a given project, if the workers concerned will work together and the worker who has best personal relationships with the group involved will make the initial contact, regardless of the agency with which he is associated, progress will usually be facilitated.

Recommended Procedures to Achieve Coordination

The three marketing advisory committees representing State Experiment Stations, Extension Services, and Departments of Agriculture recommend that: Extension and Research proposals be coordinated at the land grant college level and that State Departments and Extension Services and Experiment Stations provide one another with copies of project proposals for information purposes before they are submitted to the U. S. Department of Agriculture.

When the respective federal agencies receive project proposals from a State that have not been sent to the other agencies in the State, the federal agency shall be responsible for seeing that the other agencies in the State receive a copy for their information.

In the case of any proposed project under Title II of the Act that falls in one of the "middle zones" or that contemplates cooperation with either or both of the other agencies:

1. Representatives from the other State agency or agencies should be invited to participate in the planning and outlining of the project.
2. There should be periodic conferences of the workers directly responsible for the project with these representatives to review the progress being made on the project and suggest any changes that might seem desirable.
3. These representatives should present to the workers directly responsible for the project, problems encountered by them or their colleagues and the reactions of people in the field that indicate the need for additional or different work, or the need for changes in the present work.
4. It should be the responsibility of the head of the State agency submitting such a project to the U. S. Department of Agriculture to submit evidence that the project has been discussed with the other agency, or agencies, involved and has their concurrence. In reviewing projects, the responsible department agency will be expected to examine them for integration. If there is reason to believe that another agency or agencies have a direct and

vital interest in the project, it should not be approved until there is evidence of the concurrence of the other agency or agencies.

5. Each State agency in reporting on work done and results achieved should indicate the cooperative nature of the work, its relationship to other work and the part of other agencies in carrying out the program.

It is further recommended that there be established in each State a Mechanism for joint planning and cooperation. This can be informal or can be in the nature of an organized committee or council on which each of the three agencies is represented by a person in whom much of the responsibility for program approval is placed. Where it is thought advisable by such a committee, other agencies directly affected by the program of work or such agencies as might contribute to the success of a marketing program might be invited to serve in an advisory capacity.

Approved by:

Committee Representing State Departments of Agriculture and Bureaus of Markets

L. Y. Ballentine, Commissioner, North Carolina Department of Agriculture, Raleigh, N. C. (Chairman) 1/

George H. Chick, Chief, Division of Markets, Maine Department of Agriculture, Augusta, Maine.

C. J. Carey, Chief of Division of Markets, California Department of Agriculture, Sacramento, California.

Roy Freeland, Secretary, Kansas State Board of Agriculture, State House, Topeka, Kansas.

D. N. McDowell, Director, Wisconsin State Department of Agriculture, Madison, Wisconsin.

Committee Representing State Extension Services

L. A. Bevan, Director of Extension Service, University of New Hampshire, Durham, New Hampshire. (Chairman)

A. W. Jones, Marketing Specialist, Agricultural Extension Service, Alabama Polytechnic Institute, Auburn, Alabama.

Committee Representing State Extension Services (Continued)

D. B. Varner, Assistant Dean and Director, Extension Service, East Lansing, Michigan. 2/

Eva L. Goble, State Extension Leader of Home Demonstration Work, Purdue University, Lafayette, Indiana.

P. E. Nystrom, Head, Department of Agricultural Economics and Marketing, University of Maryland, College Park, Maryland.

G. A. Carpenter, Assistant Director of Extension Service, Utah State Agricultural College, Logan, Utah. 1/

Committee Representing State Experiment Stations

P. S. Eckert, Dean and Director, Agricultural Experiment Station, Tucson, Arizona.

Helen G. Canoyer, Dean, College of Home Economics and Professor, Home Economics, Agricultural Experiment Station of Cornell University, Ithaca, New York. 3/

R. K. Froker, Dean and Director, Agricultural Experiment Station, University of Wisconsin, Madison, Wisconsin.

G. F. Dow, Associate Director, Agricultural Experiment Station, University of Maine, Orono, Maine.

F. J. Welch, Dean and Director, Agricultural Experiment Station, University of Kentucky, Lexington, Kentucky. (Chairman)

1/ Unable to attend the Oct. 9, 1954 meeting.

2/ Represented by R. C. Kramer, Associate Professor, Agricultural Economics, Michigan State College, East Lansing, Michigan.

3/ Represented by Habel Rollins, Professor and Head of Department of Economics of the Household and Household Management, Cornell University, Ithaca, New York.

